



STATE OF DELAWARE

PUBLIC SERVICE COMMISSION

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March 15, 2018

TO: The Chair and Members of the Commission

FROM: Connie S. McDowell, Senior Regulatory Policy Administrator
Clishona Marshall, Public Utility Analyst
Amy Woodward, Public Utility Analyst

SUBJECT: IN THE MATTER OF THE APPLICATION OF DELMARVA POWER & LIGHT COMPANY, EXELON CORPORATION, PEPCO HOLDINGS, INC. PURPLE ACQUISITION CORPORATION, EXELON ENERGY DELIVERY COMPANY, LLC AND NEW SPECIAL PURPOSE ENTITY FOR APPROVAL UNDER THE PROVISIONS OF 26 DEL. C. §§ 215 AND 1016 FILED JUNE 18, 2014) - PSC DOCKET NO. 14-193

Application:

On August 31, 2017, Delmarva Power & Light Company ("Delmarva" or the "Company") filed an Application ("Application") pursuant to the requirements of Paragraph 7 of Exhibit "A" of PSC Order No. 8952 in PSC Docket No. 14-193 for approval of an Arrearage Management Plan ("AMP"). On March 8, 2019, the Company amended its application to modify its enrollment dates and administrative costs associated with the AMP.

Delmarva held working group meetings with the Division of the Public Advocate ("DPA"), Public Service Commission Staff, Catholic Charities, Inc., Department of Health and Social Services, Division of State Service Centers, Stand By Me, the Sustainable Energy Utility, the Latin American Community Center, and the First State Community Action Association for input in the proposed AMP.

Description of the AMP:

The proposed AMP is a Pilot Program with the following requirements to qualify:

- a. The customer's gross income must be at or below 60% of Delaware's median income¹.
- b. The customer must have a minimum arrearage on their Delmarva account for Delmarva charges of \$500 or electric supplier charges of \$500.
- c. The cap on the total amount that will be forgiven through the AMP is \$6,000.
- d. Customers with active medical certifications on file with the Company are not eligible for the AMP.
- e. If the AMP is extended beyond the pilot, a customer who participates in the pilot must wait seven years to become eligible to participate in another AMP.
- f. A customer disconnected for more than thirty (30) days due to nonpayment, is not eligible for the AMP.
- g. If the Company has determined that there is evidence of fraud associated with the customer's account the customer will not be eligible for the AMP.
- h. AMP participants will not be required to pay any part of their pre-AMP arrearage as a condition of reconnection and enrollment in the AMP.

The duration of the AMP will be a total of fifteen (15) months. The AMP pilot runs for twelve (12) months but there is a three (3) month catch up period that allows customers to catch up on missed payments and still remain on the AMP.

The amount of funds for the AMP from the Exelon merger is \$4,053,618 and Delmarva has estimated the external administrative costs it will need to recover is approximately \$220,000.

Eligible customers will receive information about the AMP from the state agencies and non-profit organizations they work with to establish their eligibility as a low income customer. Once enrolled in the AMP, Delmarva will provide more detailed information about the AMP to these customers. In addition, Delmarva will send a postcard to all of its customers providing a description of the AMP Pilot.

¹ Agencies and organizations providing public assistance to Delmarva customers will determine if the customer meets this criteria and will notify Delmarva of this eligibility.

After the AMP is over, Delmarva will report the results of this program to the Commission, DPA and other participants of the Working Group.

Staff's Review:

Staff performed a review of the Application and attended and participated in the working group meetings held beginning in December 2016. It is Staff's opinion that the Commission should approve the proposed AMP. However, the Company should provide a quarterly report to the Staff and DPA of the actual administrative costs that it incurs for the AMP, a quarterly progress report and a final results report.